

Article - Education

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§13–303.

(a) Prior to the transfer date:

(1) The Board of Public Works shall approve the articles of incorporation of the Medical System Corporation which shall reflect the requirements of this subtitle; and

(2) The Board of Regents and the Board of Directors shall take all actions necessary to create and organize the Medical System Corporation, which shall be organized for charitable, scientific, and educational purposes and shall attain and maintain exemption from federal income taxation but which shall not be a State agency, political subdivision, public body, public corporation, or municipal corporation and is not subject to any provisions of law affecting only governmental or public entities.

(b) On or after the transfer date, the Medical System Corporation shall own, lease, manage, and operate the medical system, including such components or health services as the Board of Directors may determine or agree to undertake from time to time and shall have all powers of a Maryland corporation which are not expressly limited by this subtitle; such powers include the power to convey, lease, mortgage, encumber, and otherwise deal with all its assets including the medical system assets, without limitation or regard to their source, unless a grantor or donor restricts the use of such assets; provided, however, that without in any way limiting the power to mortgage or otherwise encumber such property, any sale or lease of any land or buildings transferred on the transfer date shall be approved by the Board of Regents.

(c) The Board of Directors:

(1) Shall provide for and maintain, consistent with the policies of the State Health Services Cost Review Commission or other relevant authority, comprehensive services for patient populations naturally served by University Hospital, including uncompensated care and outpatient care; and

(2) Shall maintain, create, and develop specialty care services appropriate to an academic medical institution to meet the needs of the State and region.

(d) The Board of Directors shall operate the medical system without discrimination based upon race, creed, sex, or national origin.

(e) The Board of Directors will conduct procurement activities consistent with minority purchasing standards applicable to State government agencies.

(f) The fiscal year of the Medical System Corporation will be the same as the fiscal year of the State unless otherwise approved by the Board of Public Works.

(g) The Board of Directors shall cause annual audited financial statements of the Medical System Corporation to be prepared and filed with the Governor, the Joint Audit and Evaluation Committee, and the Board of Regents as soon as practicable following the close of its fiscal year.

(h) (1) The Board of Directors shall prepare an annual report describing operations of the Medical System Corporation in the immediately preceding fiscal year, which shall be delivered to the Board of Regents, the Governor, and, subject to § 2-1257 of the State Government Article, the General Assembly as soon as practicable following the close of its fiscal year.

(2) The report shall include information about the amount of uncompensated care provided, the number of ambulatory care visits, the number of Medicaid patient visits, the number of patient visits by subdivision during the year, and any other information relevant to the provisions of this section.

(3) The General Assembly may take the annual report into consideration when considering requests by the Medical System Corporation for financial assistance from the State, including appropriations for the operating reserve fund under § 13-309 of this subtitle.

(i) Requests to the General Assembly for grants from the State for the Medical System Corporation may be submitted only with approval of the Board of Regents.

(j) The Board of Directors will coordinate with University fund-raising efforts all Medical System Corporation campaigns and solicitations for private gifts and proposals for private or federal grants.

(k) (1) The Board of Directors shall establish a nonprofit subsidiary for the purpose of operating all or a part of the University of Maryland Medical Center, to the extent approved by the University in the annual contract, that shall:

(i) Have all powers available under the laws governing the formation of the subsidiary; and

(ii) Be formed in a manner so that the subsidiary, for the purposes of meeting the jurisdictional requirements of the National Labor Relations Board:

1. Does not constitute a department or administrative arm of the State or any agency, political subdivision, public body, public corporation, or municipal corporation; and

2. Is not administered by individuals who are responsible to public officials or to the general electorate.

(2) In addition to establishing a subsidiary under paragraph (1) of this subsection, the Board of Directors may establish nonprofit or for-profit subsidiaries or related entities, to the extent approved by the University in the annual contract.

(l) The Board of Directors shall ensure that the medical system shall continue to make available medical services to residents of various State institutions whose residents prior to the effective date of this legislation were served by the Hospital, including State residential centers for individuals with an intellectual disability, State mental hygiene facilities and facilities run by the State Division of Correction, as long as the administrators of those institutions continue to seek care from the Hospital for their residents in accordance with policies and legislative intent incorporated in the State budget. The Hospital is to be compensated by the institutions or other payors for this care in accordance with policies of the State Health Services Cost Review Commission or other relevant authority.

(m) The Board of Directors shall ensure that the Medical System Corporation continues to be a private, nonprofit, nonstock corporation that is independent from any State agency.

(n) (1) On or before May 31, 2019, the Board of Directors shall adopt a conflict of interest policy for members of the Board that includes:

(i) Standards for the disclosure of financial interests;

(ii) Standards for Board member participation in contracts with the Medical System Corporation in accordance with this subtitle, including an attestation that the Board member has complied with the conflict of interest standards adopted by the Board;

(iii) Standards for recusal from voting;

(iv) A requirement that a Board member may not use the Board member's position on the Board for personal gain when contracting with the Medical System Corporation; and

(v) A requirement that a Board member provide an attestation of any business relationship with the Medical System Corporation or any affiliate of the Corporation.

(2) The Board of Directors shall send a copy of the conflict of interest policy adopted under paragraph (1) of this subsection to the Governor, the President of the Senate, and the Speaker of the House of Delegates:

(i) After the policy is initially adopted; and

(ii) Each time a change is made to the policy.

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